

Message Text

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C O N F I D E N T I A L PORT AU PRINCE 1679

E.O. 11652: GDS

TAGS: EFIN, EIND, HA

SUBJECT: AEROTRADE/DUPONT CARIBBEAN DISPUTES: MEETING WITH ACTING
FOREIGN MINISTER BLANCHET

REF: (A) STATE 187317; (B) STATE 187320; (C) STATE 187319

1. ACTING FONMIN BLANCHET, ACCOMPANIED BY UNDER SECRETARY DORCELY, RAISED AEROTRADE CASE WITH ME AUGUST 28, STATING WITH REFERENCE TO MY AUGUST 16 LETTER THAT GOH HAD PRESENTED ITS CLAIMS AS TO COMPANY'S NON-PERFORMANCE OF CONTRACT AND FELT NOTHING MORE COULD BE ADDED BY MEETING WITH BYERS.

2. I REPLIED THAT BYERS HAD HIS OWN COUNTER-CLAIMS IN CASE WHICH, BY VITURE OF JULY 23 INOUE SUBCOMMITTEE HEARINGS ON HAITI, HAD NOW BECOME SUBJECT OF SPECIFIC CONGRESSIONAL INTEREST. WHAT AEROTRADE SOUGHT WAS OPPORTUNITY TO PRESENT ITS CASE TO GOH WITH VIEW TO FINDING BASIS FOR SETTLEMENT. BYERS' EFFORTS TO SEND ASSOCIATE TO PORT AU PRINCE FOR DISCUSSION HAD ENCOUNTERED GOH REBUFF; GOH INTERESTS WOULD NOW BE SERVED BY INVITING BYERS AND LAWYER FOR EARLY DISCUSSIONS. TO BLANCHET'S OBJECTION THAT SUCH INVITATION COULD BE CONSTRUED AS GOH CONCESSION, I NOTED THAT ANY SUCH DISCUSSIONS BY THEIR VERY NATURE WOULD BE HELD WITHOUT PREJUDICE TO MERITS OF GOH CONTENTIONS.

3. TURNING TO DUPONT CARIBBEAN CASE, ALSO SUBJECT OF SENATORIAL INQUIRY, I REMINDED THEM OF PRESIDENT DUVALIER'S
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OFFER TO PROVIDE ME WITH DOCUMENTATION ILLUMINATING GOH

SIDE OF DISPUTE AND SAID THAT THESE MATERIALS SHOULD IF POSSIBLE REACH ME BY AUGUST 30 IN LIGHT OF SEPTEMBER 5 MEETING WITH PIERSON.

4. WITH RESPECT TO BOTH THESE DISPUTES, I STATED THAT, HOWEVER CERTAIN GOH MIGHT FEEL ABOUT ITS POSITION, INCLUDING CLAIMED UNCONSTITUTIONALITY OF PIERSON CONTRACT, GOH MUST CONSIDER EFFECT UPON SENATE COMMITTEE OF APPARENT FAILURE TO PROVIDE U.S. BUSINESSMEN FAIR HEARING AND CHANCE TO SEEK NEGOTIATED RESOLUTION. IN ESSENCE, ISSUE WAS A GENERAL ONE FOR GOH, TO WHICH I HAD ALLUDED IN VERY FIRST COURTESY CALL ON BLANCHET: IMPORTANCE OF GOH PRESENTING ACCURATELY AND PLAUSIBLY ITS SIDE OF POLITICAL/ECONOMIC ISSUES UNDER CONTROVERSY AND SCRUTINEY IN U.S. IT WOULD NOT SUFFICE TO DELAY COMING TO GRIPS WITH PROBLEM OR HOPE PROBLEM WOULD SIMPLY DISAPPEAR; HICKENLOOPER AMENDMENT WAS DEFINITELY RELEVANT; BYERS AND PIERSON SEEMED MORE THAN EVER DETERMINED TO PRESS FOR SATISFACTION; AND BURDEN OF PROOF WAS ON GOH TO SHOW THAT CANCELLATION OF CONTRACTS WAS WARRANTED AND DID NOT CONSTITUTE EXPROPRIATION.

5. I CONCLUDED BY SAYING THAT IT WOULD BE A PITY IF GOH, BY FAILURE TO ACT OR BY MISUNDERSTANDING U.S. LEGAL AND POLITICAL FACTORS, WERE TO PERMIT THESE TWO RELATIVELY MINOR DISPUTES TO BECOME MAJOR OBSTACLES TO CONTINUED DEVELOPMENT OF GOOD BILATERAL RELATIONS. HOWEVER, UNLESS GOH DECIDED PROMPTLY AND WITHOUT ANY FURTHER DELAY TO TAKE STEPS TO RESOLVE BOTH THESE DISPUTES, THAT IS PRECISELY WHAT COULD HAPPEN.

6. I THEREFORE SUGGESTED GOH CONSIDER TAKING FOLLOWING STEPS:

A. INVITATION TO BYERS AND LAWYER TO COME TO PORT AU PRINCE FOR DISCUSSIONS;

B. PROVISION BY AUGUST 30 OF DUPONT CARIBBEAN MATERIALS;

C. PERMISSION FOR TRANSLINEAR TO MAKE FLIGHT TO ISLE DE LA TORTUE AND INSPECT STATE OF THEIR EQUIPMENT THERE.

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7. BLANCHET A SEVERAL POINTS SOUGHT TO REBUT, DECLARING GOH HAD NEVER EXPROPRIATED ANY FOREIGN EQUITY AND EXPRESSING BLAND DISBELIEF THAT THESE CASES COULD INTERFERE WITH TRADITIONAL FRIENDLY GOH/US RELATIONS. HE WONDERED WHETHER GOH COULD TREAT WITH PIERSON SINCE THE HAITIAN COURTS HAD PRONOUNCED JUDGEMENT; I REMINDED HIM THAT AS RECENTLY AS APRIL 1974, ALMOST AT CONCLUSION OF LEGAL PROCESS, MINISTERS JEANTY AND FOURCAND HAD HELD EXTENSIVE TALKS WITH PIERSON, ALTHOUGH I HAD NEVER

SEEN RECORD OF THOSE DISCUSSIONS.

8. BLANCHET FINALLY ACKNOWLEDGED THAT A PROBLEM EXISTED AND IT WAS IN GOH INTEREST TO SEEK SOLUTION. HE PROMISED TO SPEAK WITH PRESIDENT ABOUT POINTS I HAD RAISED; HE WOULD DO HIS BEST TO WORK SOMETHING OUT, HE SAID.

9. COMMENT: THE SESSION PUT BLANCHET IN AN UNACCUSTOMED LISTENING ROLE AND HE CLEARLY FELT ON THE DEFENSIVE, NO BAD THING IN ITSELF. DORCELY TOOK CAREFUL NOTES AND I KNOW FROM PREVIOUS TALKS WITH HIM THAT HE IS PARTICULARLY SENSITIVE TO THE POINT THAT CNTINUED PROCRASTINATION ON SUCH ISSUES CANNOT SETTLE AND CAN ONLY AGGRAVATE MATTERS. BLANCHET ALSO SEEMED TO GET THE MESSAGE. IT REMAINS TO BE SEEN WHETHER THE PRESIDENT WILL.
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